

Using tech to make e-tail as real as retail

Technology is the backbone of e-tailing (i.e. retailing via the electronic medium of the Internet, mobile phones, and other hand-held devices), given that the very platform for e-tailing is technological in nature. It is also apparent that technological developments will continue to play a critical role in the growth and adoption of e-tailing, primarily by reducing the divide between physical and online stores and by ensuring efficient execution.

Enhancing user experience

Unlike physical stores, wherein a customer can examine products at first-hand, e-tailers do not possess a direct connection with their customers. Consequently, a crucial part of the investment in e-tailing worldwide is spent on technologies that help replicate the physical store experience. One example of such innovations is the virtual trial room, or 'Virtual Try-on' introduced by Fashionista.com and US-based online fashion boutique Tobi.com which helps consumers "trial" apparel virtually.

Other retailers who have opted for this technology are Banana Flame in apparel, and Vision Express, Tortoise, and Blonde Eyewear in the eyewear category in the UK. A further advancement to Virtual Try-on is the 'Virtual Fitting Room' developed by Estonia's Fits.me that uses a robotic mannequin to enable trying-on clothes in the virtual world. The company claims that retailers adopting the virtual fitting room technology have seen sales grow by ~50-60% and a nearly 28% reduction in returns.

While these technologies have shifted the user experience paradigm positively and consequently boosted (virtual) store traffic, there are other advantages offered by the format including Co-shopping, which allows people in different places to examine the same product via the Internet and make comparisons. Retailers have also implemented customer tagging – a way of allowing registered customers to "tag" or review a certain product as a guide for other customers, and have sent Price Drop Alerts through e-mail. Another tool that is still under development is 'Haptics', which allows users to "touch" and "feel" the product (e.g. texture of cloth in case of apparel) in an imitation of the real experience.

Although India is still far behind in adoption of these technologies, efforts have been made in this direction. Several players are now providing a "zoom" feature to facilitate better product views. For example, eyewear retailer GKB Optical offers a 'Try-on Virtual Mirror' and a 'Face Shape Guide' that helps consumers choose and try products prior to making a purchase. Recently, e-tailer Zovi.com launched its virtual trial room 'Zovi Eye' through which consumers can stand in front of a webcam to see how an image of a garment fits on them. This simulates trying-on the product in front of a mirror. With further growth of the e-tailing space in India, such technological facilitators will become better-entrenched into the e-tailer's user interface.

Upgrading back-end systems for efficient operations

Another aspect of technological intervention is the streamlining of operations via the management and more efficient execution of back-end processes. Players who adopt new technologies well ahead of others, and more effectively, will have an edge over others. To this end, Customer Relationship Management, or CRM, solutions are important to e-tailers as they help map the browsing and shopping behaviour of consumers. This helps them customize and promote products in line with user preferences and also provides feedback useful in improving the interface.

Further, Internet-based systems are also important in ensuring a smooth supply chain through the integration of consumer orders to vendors, suppliers, warehouses etc. in an efficient manner. The delivery and execution of orders can also be tracked in real-time through this medium. Similarly, players need to adopt and popularize payment solutions like prepaid cards, and EMI options, and promote usage of net banking and credit cards by, say, incentivizing payments (e.g. additional discounts on use of these payment mediums). However, the biggest concern with the online channel remains security. The Internet, despite all its facilities, has also opened up many avenues of fraudulent activities which can compromise the security of e-tailing websites. To combat this, both existing and new security solutions will have to be continuously upgraded.

Ultimately, technology is both beneficial to and benefiting from e-tailing. On one hand, it enables this modern retail format and provides the necessary tools to ensure the security, comfort and ease of customers; on the other, it provides impetus for driving further innovation in connected domains which in turn sustain e-tailing. This process will most certainly continue for the foreseeable future.

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